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DIRECTORATE OF  
INTELLIGENCE

# *Central Intelligence Bulletin*

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50

13 August 1970

State Department review completed

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SECRET

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# *Central Intelligence Bulletin*

## CONTENTS

Cambodia: The lull in significant military activity continues. (Page 1)

South Vietnam: The North Vietnamese may have selected an allied outpost for another siege. (Page 3)

Arab States - Israel: Egypt and Jordan are continuing their efforts to clamp down on guerrilla activity. (Page 4)

Ceylon: The new government is trying to link ultra-left revolutionaries with the US. (Page 5)

El Salvador - Honduras: Border tension and common market problems are impeding efforts to normalize relations. (Page 7)

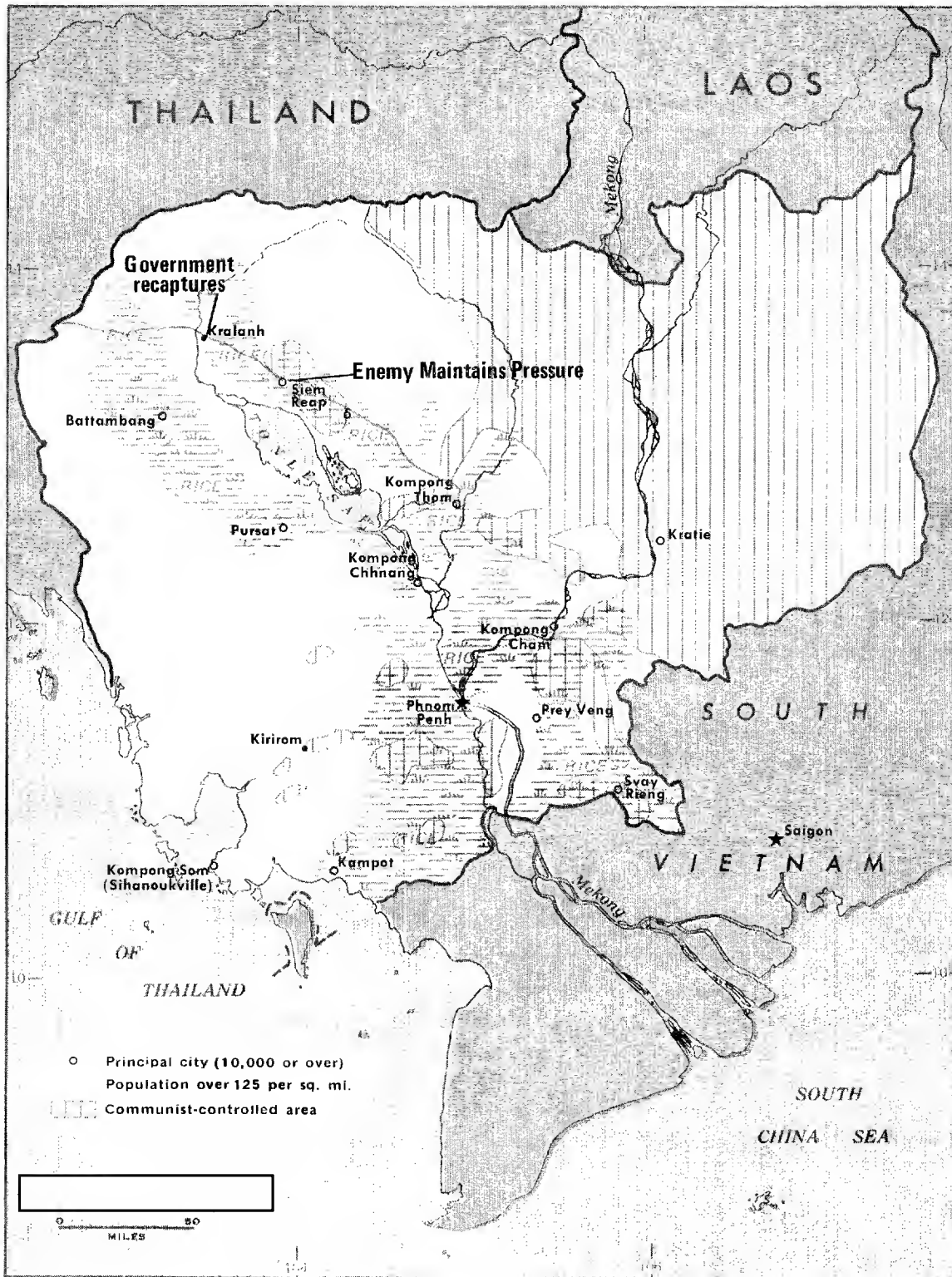
Costa Rica: The government is under pressure to abrogate part of its trade agreement with the USSR. (Page 8)

Chile-Cuba: Expanded contacts (Page 9)

SECRET

SECRET

## CAMBODIA: Current Situation



99589 8-70 CIA

SECRET

SECRET

Cambodia: The lull in significant military activity continues.

The Communists shelled Siem Reap again yesterday, but government counterfire reportedly dispersed the enemy. Government troops apparently have recaptured Kralanh, which the enemy occupied on 10 August after heavy fighting.

Press reports claim that enemy elements attacked a government position less than five miles from Phnom Penh yesterday. [REDACTED]

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Elsewhere, the situation at Kirirom apparently has eased somewhat. [REDACTED]

25X1

[REDACTED] the enemy withdrew from several important positions on 11 August. A few days earlier, however, the Communists reportedly inflicted severe losses on three government battalions that were moving to attack enemy positions near the Kirirom plateau. [REDACTED]

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[REDACTED] Communist troops disguised in Cambodian Army uniforms lured government soldiers into the open and ambushed them. The Cambodians suffered 53 killed and 25 wounded; enemy casualties were not known. [REDACTED]

25X1

(Map)

13 Aug 70

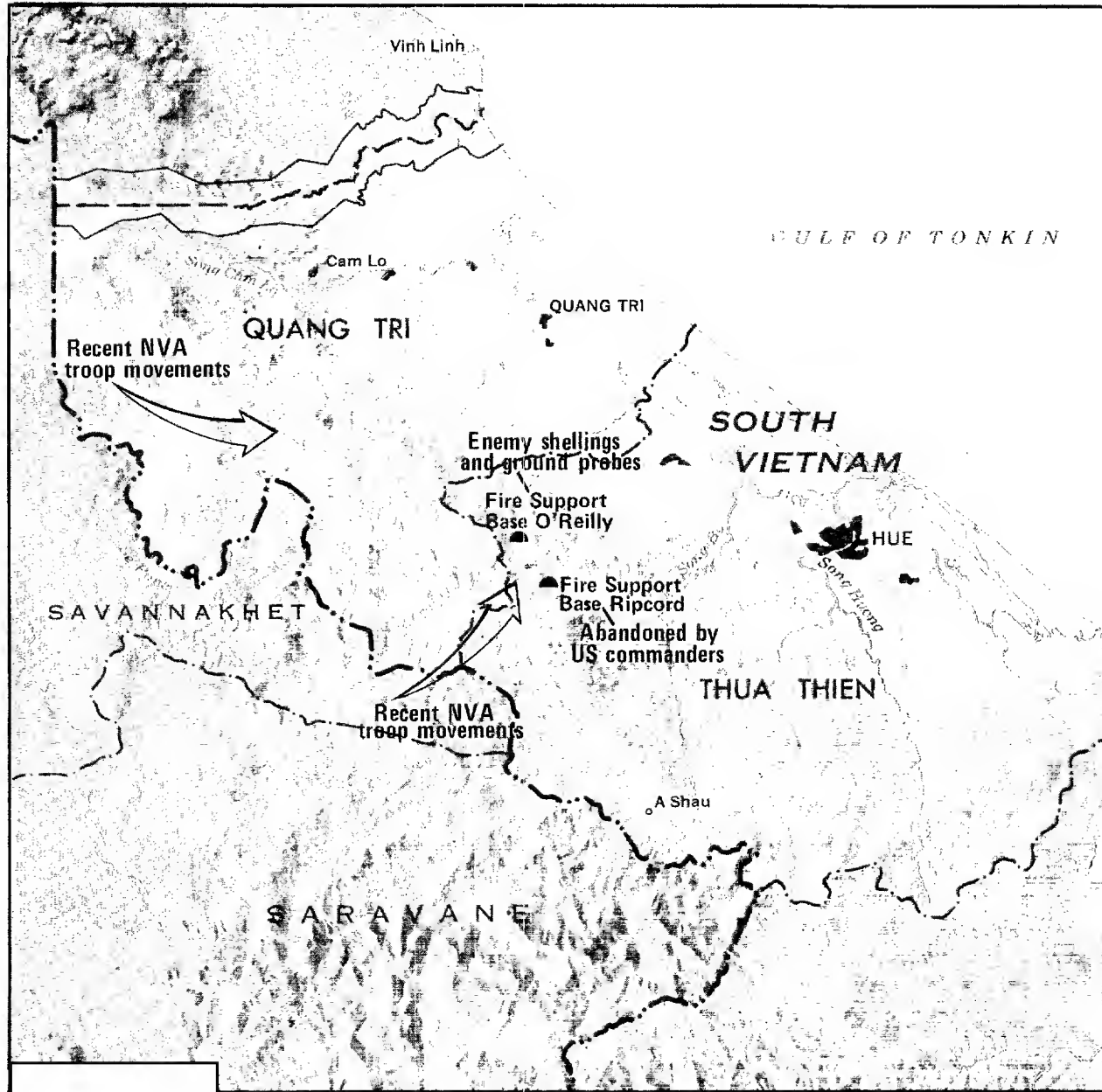
Central Intelligence Bulletin

1

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## North Vietnamese Threaten Allied Outpost



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South Vietnam: The North Vietnamese may have selected an allied outpost in the remote mountains west of Hue as a target for another siege.

Enemy shellings and ground probes around Fire Support Base O'Reilly have increased steadily during the past week. The reinforced South Vietnamese battalion defending O'Reilly has suffered relatively light casualties so far, but there is growing concern that the enemy may intend to repeat the same kind of sustained pressure that caused US commanders to abandon nearby Fire Support Base Ripcord last month.

The commander of the South Vietnamese 1st Division has announced that his forces will not withdraw from O'Reilly, thus increasing the likelihood of a significant battle. The commander, a respected officer, apparently has decided that the outpost is defensible and that it is better to fight the North Vietnamese in the mountains than along the populated coastal lowlands.

The North Vietnamese probably reason that an attempt to break through to the coast in force would be too costly right now. Pressure against the allied defense screen in the mountains of western Quang Tri and Thua Thien provinces, on the other hand, would have certain advantages. These include attrition of US and South Vietnamese units and their diversion from more populated areas, and the possible turning of South Vietnamese attention from Communist logistic activities along the border and in Laos.

13 Aug 70

Central Intelligence Bulletin

3

SECRET

Arab States - Israel: Egypt and Jordan are continuing their efforts to clamp down on guerrilla activity against Israel and to dampen the fedayeen anti-peace movement.

Nasir, who had already denied Cairo's radio facilities to the fedayeen, now has put other restraints on the Palestinians in Egypt.

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In Jordan, [redacted] during the last few days Jordanian Army assistance to fedayeen units operating in the northern part of the country has tapered off. [redacted]

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[redacted] noted that while there was still a good deal of cooperation between the Jordanian Army and the fedayeen, actual fire support by the army seemed to be diminishing. [redacted]

25X1

25X1

13 Aug 70

Central Intelligence Bulletin

4

SECRET

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Ceylon: The new government appears to be trying to discredit ultraleft revolutionaries on the island by linking them with the US.

Finance Minister Perera has been quoted in the press as saying that the recent government decision to close down Peace Corps and Asia Foundation operations in Ceylon resulted from police findings that the US was backing the so-called Che Guevara revolutionaries. A communiqué issued later by the governing United Front coalition stated that certain "foreign elements" were behind the ultraleft movement. The communiqué also asserted, however, that the Che Guevara group was actually a reactionary organization aiming to disrupt the recently installed left-of-center government.

The carefully worded communiqué did not specifically charge any foreign country, and a Ceylonese official has assured the US ambassador that Perera's remarks do not represent the position of the government. It is probable, therefore, that the government's primary purpose at this time is to discredit the revolutionaries by tainting them with reactionary connections rather than to attack the US.

The government may be concerned that the island's various small revolutionary groups will coalesce into a significant terrorist movement, but it apparently cannot yet substantiate any charges against them. For example, after the issuance of the communiqué, the Che Guevara group held its first open rally at which its leader, previously arrested by the government, was the main speaker. [REDACTED]

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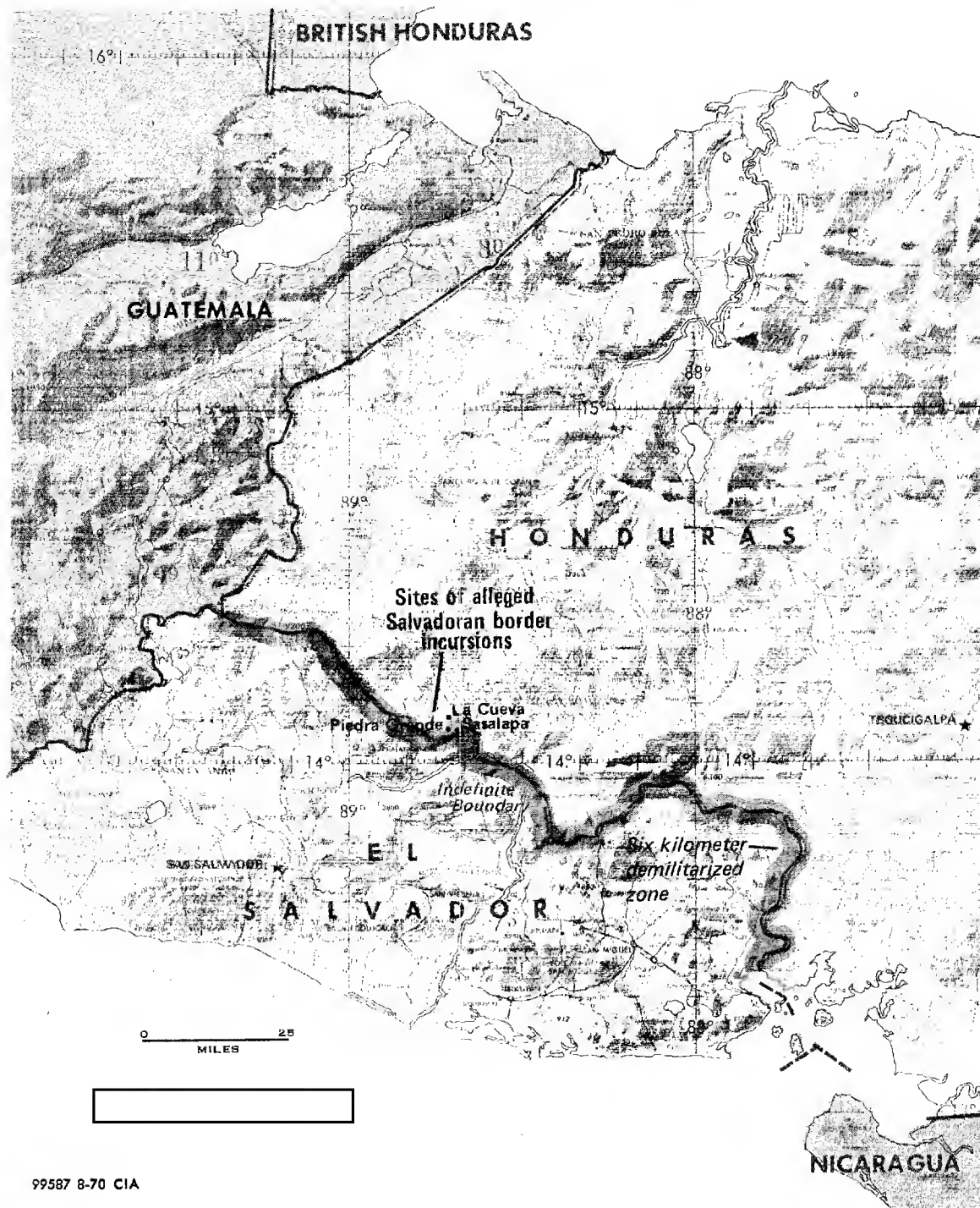
13 Aug 70

Central Intelligence Bulletin

5

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## Border Tensions Persist Between El Salvador and Honduras



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99587 8-70 CIA

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El Salvador - Honduras: The persistence of border tensions and Honduran intransigence on Common Market issues are impeding efforts to normalize political and economic relations in the area.

Honduran Foreign Minister Carias has warned the OAS that pacification efforts were being jeopardized by recent Salvadoran actions. Carias charged that Salvadoran civilians were occupying Honduran border towns while the Salvadoran National Guard was preventing Honduran nationals from returning to these same areas. He also alleged that there have been incursions by armed Salvadoran civilians and harassment of Honduran frontier police by Salvadoran troops, despite the creation of a demilitarized zone along the border.

The OAS is reluctant to become directly involved in the question of territorial jurisdiction, and wants former OAS secretary general Jose Mora to reconvene direct talks between El Salvador and Honduras as soon as possible. Some Central American officials, however, are concerned that Honduras will use these incidents as a continued excuse for staying away from the bilateral talks, which are to resume on 24 August after having been stalled for more than six months.

Suspicion about Honduran readiness to compromise may have resulted in part from its behavior at an area-wide meeting of economics ministers on 29 July. At that time Honduras indicated its willingness to withdraw from the Central American Common Market if its proposals for restructuring the organization were not accepted. A rupture was avoided, but final action on the Honduran proposals has not yet been taken.

25X1

13 Aug 70

Central Intelligence Bulletin

7

SECRET

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Costa Rica: The government is under pressure to abrogate part of the trade agreement concluded with the Soviet Union in late June.

Mounting opposition by domestic politicians and businessmen, as well as by leaders of neighboring countries, has focused on a protocol that would give the Soviet trade mission personnel diplomatic immunity and the privilege of sending coded messages. The protocol also anticipates the establishment of diplomatic relations and the elevation of the trade mission to an embassy.



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Leaders in most neighboring countries have expressed concern over the proposed establishment of a Soviet presence in Central America.



25X1

25X1

13 Aug 70

Central Intelligence Bulletin

8

SECRET

NOTE

Chile-Cuba: Chile continues to expand its official and unofficial contacts with Cuba under the leadership of Foreign Minister Valdes. Another official Chilean delegation has gone to Havana to conclude negotiations that project \$12-million worth of Chilean sales to Cuba in 1971 instead of the previously announced \$8 million. A Cuban ship leaves Chile this week with a cargo of wine, foodstuffs and, reportedly, some Argentine agricultural produce. It was also to pick up Brazilian and Bolivian subversives; Chile had hoped to send the Bolivians to asylum in Mexico or Cuba, but Mexico refused them transit visas. In addition, Chile's Catholic University has just signed an agreement for a weekly exchange of television programs with Cuba. One of Santiago's other two television stations is run by Marxists who already present a favorable image of Castro and Cuba to the viewing public. [REDACTED]

25X1

13 Aug 70

Central Intelligence Bulletin

9

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